

27 January 2012

Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam,

Thank you for the opportunity to provide input into the **Government's consultation on governance arrangements to come into effect on 1 July 2012 for not-for-profit entities** such as the Queensland Institute of Medical Research (QIMR).

QIMR supports Government initiatives to improve governance, accountability and transparency in the not-for-profit sector.

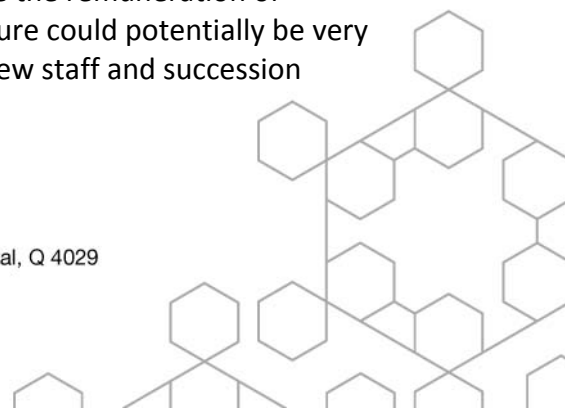
The Institute has an existing governance framework which complies with the principle-based governance arrangements under consideration and, as a statutory body established under the *Queensland Institute of Medical Research Act 1945*, maintains high standards of accountability and integrity.

As the recipient of Queensland Health funding, QIMR reports annually to the Queensland State Government on its financial and non-financial performance including governance arrangements concerning management and structure, risk management and accountability and operations. QIMR's annual financial statements are audited by the Queensland Audit Office and include an independent report by the Auditor-General of Queensland.

QIMR believes that the publication of the Institute's performance information is essential for accountability and transparency. It also drives continuous improvement in performance which builds and enhances community trust and confidence in the organisation's operations.

Whilst the proposed governance arrangements would not pose a large burden on QIMR, **Item 119** regarding **remuneration disclosure** is of some concern (**Consultation Question 12**).

It is QIMR's view that there should not be a requirement to disclose the remuneration of responsible individuals. The consequences of remuneration disclosure could potentially be very destructive to QIMR for fundraising, donors and the attraction of new staff and succession planning.



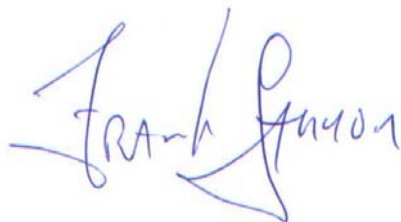
As a world class medical research institute QIMR competes for both scientific talent as well as responsible individuals on an international level. Paying salaries that acknowledge the qualification and experience of our employees is a crucial factor in QIMR's success strategy. Disclosing the responsible individuals' salary levels in dollar values to the public would not be a true reflection of the numerous factors that our internal committees consider when making a salary decision, including the prudent use of public monies.

From our point of view, remuneration information does not represent a performance indicator that provides for an easy comparison between organisations. Rather, it could act as a deterrent to individuals as well as the corporate sector in regards to the continued funding of not-for-profit organisations through donations. This potential to reduce fundraising income would have significant repercussions on the sector's ability to provide ongoing services to the general public.

In addition, highly experienced and qualified responsible individuals might be discouraged in taking up positions in the not-for-profit sector, considering the disclosure of remuneration information that is generally considered private.

In light of these significant implications for not-for-profit organisations in general and QIMR as a leading research institute in particular, we trust that the remuneration disclosure requirements will find some reconsideration.

Yours sincerely,

A handwritten signature in blue ink that reads "Frank Gannon". The signature is stylized with a large, sweeping initial 'F' and 'G'.

Professor Frank Gannon
Director and CEO